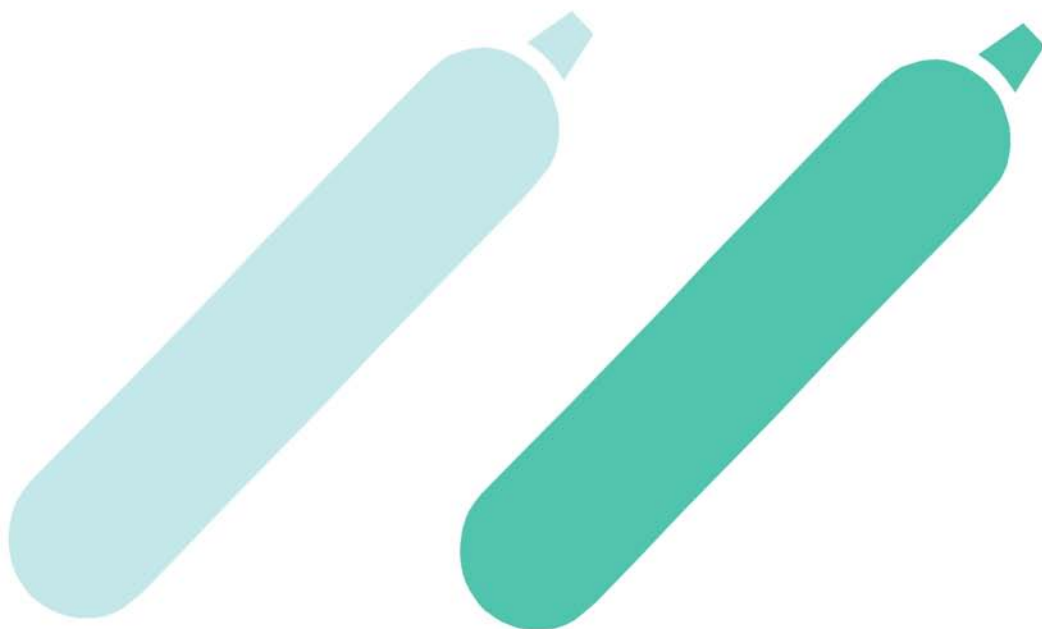


Bombay Oxygen Corporation Ltd.



Annual Report & Accounts - 2009-2010

Bombay Oxygen Corporation Ltd.

DIRECTORS :

MR. SHYAM M. RUIA, **Chairman**

MR. IBRAHIM A. RAHIMTOOLA

MR. MOHAN BIR SINGH

MR. AJIT M. GHELANI

MR. NIRMAL P. JHUNJHUNWALA

COMPANY SECRETARY :

MR. NEERAJ KUMAR OMAR

AUDITORS :

K. G. SHAH & CO.

SOLICITORS :

KANGA & CO.

BANKERS :

CANARA BANK

AXIS BANK LTD.

THE BANK OF RAJASTHAN LTD.

BANK OF MAHARASHTRA

BANK OF INDIA

ALLAHABAD BANK

HDFC BANK LTD.

REGISTERED OFFICE :

22/B, Mittal Tower,
210, Nariman Point,
Mumbai – 400 021.

FACTORIES :

KALWE (THANE), KHOPOLI,

PUNE, TARAPUR & NAGPUR

The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

Bombay Oxygen Corporation Ltd.

NOTICE

NOTICE is hereby given that the 49th ANNUAL GENERAL MEETING of BOMBAY OXYGEN CORPORATION LIMITED will be held at Walchand Hirachand Hall, Lalji Naranji Memorial, Indian Merchants' Chamber Building, 76, Veer Nariman Road, Churchgate, Mumbai – 400 020 on Wednesday, the 18th August, 2010 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2010 and the Balance Sheet as on that date together with the Report of Directors and Auditors thereon.
2. To declare a dividend on the Equity Shares.
3. To appoint a Director in place of Mr. Mohan Bir Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ajit M. Ghelani, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

Registered Office :

22/B, Mittal Tower, 210, Nariman Point,
Mumbai – 400 021.

By Order of the Board of Directors,

NEERAJ KUMAR OMAR
Company Secretary

Mumbai, 28th May, 2010.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Dividend, if sanctioned, will be made payable at HDFC Bank Limited, Fort, Mumbai – 400 023 and at any of its specified branches in India on or after 22nd August, 2010 to those members whose names stand on the Register of Members of the Company as on 18th August, 2010.
3. The Share Transfer Books of the Company will remain closed from Thursday, the 12th August, 2010 to Wednesday, 18th August, 2010 (both days inclusive).
4. Proxies, in order to be effective, must be received at the Registered office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
5. The Dividend warrants remaining unpaid (up to 28th Dividend) with the Company have been transferred to General Revenue Account of the Central Government pursuant to the provisions of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Amount of unclaimed dividend from 29th to 36th dividend warrants have been transferred to the Investor Education and Protection Fund.
6. The Dividend warrants, Interest warrants and Matured deposits remained unclaimed for more than seven years with the Company have been transferred to the Investor Education & Protection Fund of the Central Government pursuant to the provisions of the Investor Education and Protection Fund (Awareness & protection of investors) Rules, 2001. Those shareholders who have not still encashed their 37th to 43rd Dividend warrants and fixed depositors who have not encashed their interest warrants and/or fixed deposits are requested to send to the Company for revalidation/repayment.

Registered Office :

22/B, Mittal Tower, 210, Nariman Point,
Mumbai – 400 021.

By Order of the Board of Directors,

NEERAJ KUMAR OMAR
Company Secretary

Mumbai, 28th May, 2010.

Bombay Oxygen Corporation Ltd.

DIRECTORS' REPORT

Your Directors have pleasure in submitting this 49th ANNUAL REPORT together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

	For the year ended 31st March, 2010 (Rs. in '000)	For the year ended 31st March, 2009 (Rs. in '000)
Profit before depreciation and tax	86,064	44,302
Provision for depreciation	35,939	35,250
Provision for taxation	7,810	0
Provision for Fringe Benefit Tax	0	298
Provision for Deferred taxation	1,601	2,819
Profit after tax	40,714	5,935
Appropriations :		
Proposed Dividend	3,000	3,000
Tax on Dividend	498	510
Balance transferred to General Reserve	37,216	2,425
	40,714	5,935

PERFORMANCE :

The 130 TPD plant at Kalwe has worked satisfactorily during the year. On account of the revival of the economy, particularly in the steel industry, the Company has been able to achieve better sales. However, the steep rise in the cost of power has kept margins under pressure.

During the year under review, sales were Rs. 38,14,53,494/- as against Rs. 32,50,99,818/- for the previous year. Profit before Depreciation and Tax during the year is Rs. 8,60,63,907/- as against Rs. 4,43,02,586/- in the previous year.

DIVIDEND :

Your Directors recommend the payment of Dividend of Rs. 20/- (Previous year Rs. 20/-) per equity share. The proposed Dividend, if approved, at the Annual General Meeting, will absorb Rs. 34,98,300/- including Dividend tax [Previous year Rs. 35,09,850/-].

DIRECTORS :

Your Directors Mr. Mohan Bir Singh and Mr. Ajit M. Ghelani, retire this year by rotation in accordance with the Articles of Association of the Company but, being eligible, offer themselves for re-appointment.

FIXED DEPOSITS :

65 Deposits amounting to Rs. 7,68,000/- due for repayment on or before 31st March, 2010 were not claimed by the depositors. As on the date of this report, Rs. 50,000/- thereof have been claimed and paid.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Particulars required to be disclosed under the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto which form part of this report.

GENERAL :

The Company has no employee covered under Section 217(2A) of the Companies Act, 1956. The assets of the Company are adequately insured.

Bombay Oxygen Corporation Ltd.

CORPORATE GOVERNANCE :

Report on Corporate Governance along with the certificate of the Auditors M/s. K. G. Shah & Co., confirming the compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange is annexed.

MANAGEMENT DISCUSSION AND ANALYSIS :

(i) Industry Structure and developments :

The Gas Industry has a capital intensive structure. The multinational gas companies have continued to increase their capacity by installing large tonnage oxygen plants for the captive as well as merchant market. In view of it, a number of small and medium size oxygen plants are getting replaced by liquid installations.

(ii) Opportunities, Threats, Risks and Concerns :

- (a) Due to the focus on the infrastructure and improvement in the economy, there is a higher demand of gases from the core sectors such as steel, cement and glass industries. This will provide better opportunities for gas industry to grow.
- (b) Continued expansion of plant capacities by the multinational companies will result in the growing competition in the short and long term, thus having impact on the price and volumes for the medium and small companies.
- (c) The continuous rise in the power cost is a major concern to the future profitability of the gas industry. Power is the main input in the cost of production of gases. The margins are likely to be under heavy pressure, unless uninterrupted power at reasonable tariff is made available to the gas industry.

(iii) Segment-wise product wise performance :

The Company is primarily engaged in manufacturing and sale of industrial gases, viz, Oxygen, Nitrogen, Argon. Hydrogen and Dissolved Acetylene are outsourced by the Company for supply to end users.

(iv) Outlook :

The demand for industrial gases is expected to grow, as the economy is showing an upward trend. Gases are mainly consumed by the steel industry, but the Company is looking for opportunities to increase its business in other segments like pharmaceuticals, chemicals, glass, medicinal uses etc.

(v) Internal Control Systems and their adequacy :

The Senior Management periodically reviews factors and issues that influence the Company's business and takes appropriate decisions to ensure that the Company's interest and that of the stakeholders are protected. The Company has an inbuilt system of internal checks and controls.

The Audit Committee of the Board of Directors takes the responsibility to review the Internal Controls and matters connected there with.

(vi) Financial and Operational performance :

Particulars	For the year ended 31st March, 2010 (Rs. in '000)	For the year ended 31st March, 2009 (Rs. in '000)
Sales	3,81,453	3,25,100
Other Income	56,761	25,951
Profit before depreciation	86,064	44,302
Depreciation	35,939	35,250
Taxes	9,411	3,117
Profit after depreciation and taxes	40,714	5,935

(vii) Material developments in Human Resources/Industry relations front, including number of people employed :

The Company continues to give utmost importance to Human Resource Development and high priority is given to keep individual relations healthy.

(viii) Cautionary Statement :

Company's projections and estimates will vary from actual results, which depend on a variety of factors over which the Company does not have control.

Bombay Oxygen Corporation Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors hereby declare :

- (i) that in the preparation of the annual accounts, all applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

SUBSIDIARY COMPANIES :

As required under Section 212 of the Companies Act, 1956 the accounts of Bombay Oxygen Gases Limited and Bombay Oxygen Acetylene Limited, wholly owned subsidiaries of the Company, are appended.

CONSOLIDATED ACCOUNTS :

In accordance with the requirements of Accounting Standards, the Consolidated Accounts of the Company is annexed to this Report.

AUDITORS :

M/s. K. G. Shah & Co., Chartered Accountants, Statutory Auditors of the Company, retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

COMPLIANCE CERTIFICATE :

The Compliance Certificate under Section 383A of the Companies Act, 1956 has been obtained from M/s. Bharat V. Pathak & Company – Practicing Company Secretary, for the year under review and same is attached with this Report.

On behalf of the Board

S. M. RUIA
Chairman

Mumbai, 28th May, 2010.

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. CONSERVATION OF ENERGY :

- (a) The Company has taken measures for conservation of energy by regular maintenance of all plants.
- (b) The Company has made adequate arrangements for installation of vacuum lines, liquid pumping system, capacitors, UPS and other energy efficient equipments.
- (c) The measures like monitoring of power consumption, power factor and regular maintenance of all systems have kept power cost in control.
- (d) Energy conservation in respect of Specified Industries : Not Applicable.

B. TECHNOLOGY ABSORPTION :

RESEARCH & DEVELOPMENT

The Company continues to lay emphasis on Research & Development.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION AND BENEFITS DERIVED THEREFROM :

The 130 TPD Tonnage plant and 40 TPD Oxygen Liquefier at Kalwe, both imported, continued to work satisfactorily during the year, producing gaseous and liquid oxygen, nitrogen and argon. The other plants in the Company are of indigenous make, producing oxygen and nitrogen in gaseous form.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Rs. in '000
Total Foreign Exchange earned	NIL
Total Foreign Exchange used	1,673

Bombay Oxygen Corporation Ltd.

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Corporate Governance :

The Company believes in and consistently endeavors to practice good Corporate Governance. It promotes the highest ethical standards and integrity. It pledges to be a good corporate caring for health, safety and environment.

The Company is committed to conduct its business in accordance with all applicable Laws, Rules and Regulations envisaging the attainment of the highest levels of transparency, accountability and professionalism in all facets of its operations and interactions with its stakeholders.

2. Board of Directors :

- Composition and size of the Board :

The present strength of the Board is Five. The composition of the Board of Directors with reference to the number of Executive and Non-Executive Directors meets with the requirements of Clause 49(I)(A) of the Listing Agreement.

- Board meetings, attendance and other Directorships :

During the year ended 31st March, 2010, Six Board meetings were held on 29.04.2009, 23.06.2009, 30.07.2009, 14.09.2009, 30.10.2009 and 29.01.2010. The attendance of each Director at Board meetings and the last Annual General Meeting (AGM) and directorships in other Indian Public Limited Companies and Committee memberships therein are as under :

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships in other Public Limited Companies in India	No. of Committee positions held in other Companies	
					Chairman	Member
Mr. Shyam M. Ruia	Non-Executive Chairman, Promoter	6	Yes	5	Nil	Nil
Mr. Ibrahim A. Rahimtoola	Non-Executive, Independent	6	Yes	2	Nil	Nil
Mr. Mohan Bir Singh	Non-Executive, Independent	6	Yes	2	Nil	Nil
Mr. Ajit M. Ghelani	Non-Executive, Independent	5	Yes	2	Nil	Nil
Mr. Nirmal P. Jhunjhunwala	Non-Executive, Independent	4	No	2	Nil	Nil

3. Audit Committee :

- Constitution, Composition and Terms of Reference :

The Audit Committee comprises of three Non-Executive & Independent Directors as under :

- Mr. Nirmal P. Jhunjhunwala – Chairman
- Mr. Ibrahim A. Rahimtoola – Member
- Mr. Ajit M. Ghelani – Member

Terms of Reference of the Audit Committee are as outlined in the paragraphs C, D and E of Clause 49(II) of the Listing Agreement.

Bombay Oxygen Corporation Ltd.

- Meetings and Attendance :

During the year ended 31st March, 2010, Five Audit Committee Meetings were held on 29.04.2009, 23.06.2009, 30.07.2009, 30.10.2009 and 29.01.2010. The attendance of each Member at Audit Committee Meetings are as under :

	29.04.2009	23.06.2009	30.07.2009	30.10.2009	29.01.2010
Mr. Nirmal P. Jhunjunwala	Absent	Present	Present	Present	Present
Mr. Ibrahim A. Rahimtoola	Present	Present	Present	Present	Present
Mr. Ajit M. Ghelani	Present	Absent	Present	Present	Present

4. Remuneration Committee :

The Company has not constituted a Remuneration Committee since none of the Directors have been paid any remuneration. The sitting fees paid to the Directors has been decided by the Board of Directors.

5. Shareholders' / Investors' Grievance Committee :

- Constitution, Composition and Terms of Reference :

The Shareholders' / Investors' Grievance Committee comprises of three Non-Executive & Independent Directors as under:

- | | | | |
|----|---------------------------|---|----------|
| 1. | Mr. Mohan Bir Singh | – | Chairman |
| 2. | Mr. Ibrahim A. Rahimtoola | – | Member |
| 3. | Mr. Nirmal P. Jhunjunwala | – | Member |

The Committee looks into redressing the Investors' grievances/complaints, viz, non-receipt of transferred shares, non-receipt of dividends etc.

- Meetings and Attendance :

During the year ended 31st March, 2010, Five Shareholders' / Investors' Grievance Committee meetings were held on 29.04.2009, 23.06.2009, 30.07.2009, 30.10.2009 and 29.01.2010. The attendance of each Member at Shareholders' / Investors' Grievance Committee are as under:

	29.04.2009	23.06.2009	30.07.2009	30.10.2009	29.01.2010
Mr. Mohan Bir Singh	Present	Present	Present	Present	Present
Mr. Ibrahim A. Rahimtoola	Present	Present	Present	Present	Present
Mr. Nirmal P. Jhunjunwala	Absent	Present	Present	Present	Present

- Compliance Officer :

Mr. A. R. Lele, General Manager (Commercial) is the Compliance Officer of the Company.

- Shareholders' Complaints :

During the year, the Company has not received any complaint from the shareholders/investors.

- Share Transfer :

All Share transfers are received in physical form only since Company has not yet signed the agreement for the demat of the shares. The procedure for transfer of shares is narrated under heading 'Share Transfer System' in this report at point no. 9(ix).

Bombay Oxygen Corporation Ltd.

6. General Body Meetings :

Location and time of last three Annual General Meetings (AGM) held are as under :

AGM	Year	Venue	Date	Time	No. of Special Resolutions passed
46th	2006-07	Walchand Hirachand Hall, Indian Merchant Chamber Building, 76, Veer Nariman Road, Churchgate, Mumbai – 400 020.	25.09.2007	11.00 A.M.	Nil
47th	2007-08	– do –	23.06.2008	11.00 A.M.	Nil
48th	2008-09	– do –	14.09.2009	11.00 A.M.	Nil

No Special Resolution was passed in last year through Postal Ballot. No Special Resolution is proposed till date to be conducted through Postal Ballot this year.

7. Disclosures :

- Transactions with related parties are disclosed in Note 13 of Schedule 18 to the financial statements.
- The Company has complied with all the provisions of various Corporate Acts, Rules and Regulations made there under, including various clauses of Listing Agreement. There has been no instance of non-compliance by the Company on any matter related to Capital Markets, during the last three years.
- Though there is no formal Whistle blower policy, the Company takes cognizance of complaints and suggestions by employees and others. All the employees of the Company have free access to the Audit Committee of the Company.
- The Board of Directors has laid down a Code of Conduct for all the Board members and Members of the Senior Management of the Company. A declaration from the Chairman affirming compliance of the said Code is annexed.

8. Means of Communication :

- The Board of Directors of the Company approves and takes on record the quarterly financial results in the prescribed format within forty five days from the end of respective quarter and in respect of the last quarter, it has option to submit audited financial results instead of quarterly financial results for the entire financial year within sixty days of the financial year.
- Such results are sent forthwith to the Stock Exchange and are published in two local news papers within 48 hours of approval thereof.
- The Company does not have a website. However, the results can be viewed on the website of the Bombay Stock Exchange Limited.
- The Company has not made any presentation to institutional investors or to analysts. The Company does not have an official news release.
- Management Discussion and Analysis is a part of the Directors' Report.

9. General Shareholder information :

- Forty Ninth Annual General Meeting :
 - Date : 18th August, 2010
 - Time : 11.00 a.m.
 - Venue : Walchand Hirachand Hall,
Indian Merchant Chamber Building,
76, Veer Nariman Road, Churchgate,
Mumbai – 400 020.

Bombay Oxygen Corporation Ltd.

- (ii) Financial Calendar (proposed) : April, 2010 to March, 2011
 First Quarter results : Before 14th August, 2010
 Second Quarter results : Before 14th November, 2010
 Third Quarter results : Before 14th February, 2011
 Un-audited/Audited results : Before 15th May, 2011/Before 30th May, 2011
 for the year ended 31st March, 2011
- (iii) Date of Book Closure : 12th August, 2010 to 18th August, 2010
- (iv) Dividend Payment Date : 22nd August, 2010
- (v) Listing on Stock Exchange : Bombay Stock Exchange Limited
- (vi) Stock Code : 509470
- (vii) Market Price Data : High and Low of share price on BSE and BSE Sensex during each month in the last financial year :

MONTH	Price of the Share		BSE SENSEX	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April, 2009	5000.00	4178.40	11492.10	9546.29
May, 2009	5565.00	3999.00	14930.54	11621.30
June, 2009	7453.40	5752.30	15600.30	14016.95
July, 2009	6090.00	5774.45	15732.81	13219.99
August, 2009	6230.00	5760.00	16002.46	14684.45
September, 2009	7287.00	5918.55	17142.52	15356.72
October, 2009	7450.00	6408.00	17493.17	15805.20
November, 2009	7300.00	6590.20	17290.48	15330.56
December, 2009	7561.30	6400.00	17530.94	16577.78
January, 2010	7324.80	6961.25	17790.33	15982.08
February, 2010	7500.00	6840.05	16669.25	15651.99
March, 2010	7864.25	7120.00	17793.01	16438.45

- (viii) Registrar and Transfer Agents : There is no Registrar and Transfer Agent and the Company carries on the job of share transfer in house.
- (ix) Share Transfer System : Shares are to be lodged at the registered office of the Company for transfer along with transfer deed duly executed in all respect. All share transfers are normally processed within one month from the date of lodgement thereof and are approved by the Committee of Directors constituted by the Board of Directors for this purpose. The Committee meets once every fortnight/ month depending upon the volume relating to transfers, transmissions, issue of duplicate shares, replacement of shares etc.
- (x) Distribution of Share Holding :

Number of Shares Slab	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
1 – 50	5056	97.70	44561	29.71
51 – 100	73	1.41	5474	3.65
101 – 200	25	0.48	3825	2.55
201 – 300	5	0.10	1395	0.93
301 – 400	1	0.02	320	0.21
401 – 500	3	0.06	1440	0.96
501 & above	12	0.23	92985	61.99
	5175	100.00	150000	100.00